

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Empowering Consumers to Avoid Bill Shock)	CG Docket No. 10-207
)	
Consumer Information and Disclosure)	CG Docket No. 09-158

BILL SHOCK AMONG ASIAN AMERICANS FAR GREATER THAN FCC DATA REVEALS

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The National Asian American Coalition¹ (NAAC) has serious concerns regarding the underlying data upon which this Notice of Proposed Rulemaking has been predicated. Based upon the expertise within the Asian American community, we believe that the 764 complaints referred to in the Notice of Proposed Rulemaking, grossly underestimates the nature of the problem as it affects new immigrants, those with language barriers and an Asian American culture that generally will not file civil complaints with a seemingly remote federal government.

As set forth in Section III, we will be enumerating some of the methods by which the depth of the Asian American problem from which solutions can be derived. However, upon information and belief, few, if any, of the 764 complaints were filed by Asian American new immigrants, those with language barriers, or low income Asian Americans. Yet these groups are the most in need of relief and are often targeted by certain companies for abusive corporate conduct, similar to that which prevailed for predatory subprime lending.

Further, upon information and belief, we are prepared document that virtually none of these FCC complaints filed reflect the problems confronting the Latino or Black communities, particularly as to low income Blacks, Latinos and new immigrants in all categories.

We therefore seek to avoid an “elite” solution and instead develop a “Main Street solution.” This is especially important given the growing concerns reported by the Wall Street Journal, the New York Times and the 50 state attorneys general, that Secretary of Treasury Geithner’s federal home relief programs, such as HAMP, have not worked and have sometimes been unduly costly and counterproductive.²

¹ Formerly known as the Mabuhay Alliance. We are a national organization with offices in California and a regulatory office in Washington DC that works with Asian American groups throughout the nation and has held broadband conferences in Washington DC, Los Angeles, Chicago and San Francisco in 2010.

² NAAC has limited expertise in regard to Bill Shock. But we have substantial analogous expertise regarding foreclosure crisis and the failure of virtually every government program, despite 700 billion dollars provided to the banking industry, in solving the crisis. We have, for example, met with Federal Reserve Chairman Ben Bernanke, former Comptroller of the Currency John Dugan, FDIC Chairman Sheila Bair, Secretary of the Treasury Timothy Geithner, key congressional leaders, such as congresspersons Barney Frank and Maxine Waters on this issue since the beginning of 2009 to urge alternative solutions that will actually benefit Main Street.

Industry-Wide Fiduciary Solution

From our observations, it might be concluded that we support a wide range of cumbersome government regulations. But that is not necessarily our desire or correct conclusion. The affected companies have an option of drawing up and implementing a program that could provide far great confidence to the public, particularly new immigrants, low income families and minorities, that could be far more effective and far less costly. We therefore, in large measures, support the written observations in this notice of Commissioner Baker. As Commissioner Baker stated:

“Better informed consumers will unquestionably make more informed choices. But we as a Commission must also be wary that even well-intentioned regulation, like this initiative, often imposes unintended costs. If we don’t strike the right balance as regulators, we risk imposing costs on providers that could result in higher prices and lower quality of service for consumers.

“I think this issue is well suited to an industry-led solution. Competition on the basis of better customer service already distinguishes and differentiates carriers.”

As Commissioner Baker states in her conclusion:

“It is incumbent upon the wireless industry to redouble their efforts to educate consumers...Ultimately, it’s in the wireless industry’s best interest to make clear to the consumer all that they’re doing to manage expectations and avoid surprises.”

With this in mind, we intend to contact, simultaneous with this filing, all the major wireless companies, and eventually potential competitors, to develop industry-wide standards that reach for the highest possible standards. That is, we do not believe that CTIA or any other industry association should lead the charge since the industry always seeks a low, if not the lowest common denominator, for a consumer protection concern. Instead, the industry-wide efforts must be led by companies that will benefit the most from the highest standard.

The FCC must play a very crucial role in making this happen. For example, only companies that agree to this voluntary very high fiduciary standard would be given an FCC seal of approval. This seal of approval could be widely advertised and promoted, thereby providing a major competitive edge to those companies that put consumer interests first.

Proposed NAAC Consumer Efforts

In order to ensure that this Commission has full information relating to the depth of this crisis, avoid the types of mistakes that the secretaries of Treasury and HUD have confronted in their failed efforts to solve the foreclosure crisis, we intend to take the following actions immediately:

1. We will be writing letters and making personal contact at the CEO level with the primary carriers affected by this proceeding and with potential carrier competitors. We will be requesting that they meet with Black, Latino and Asian American leaders who have been in the forefront of consumer problems and will help offer, after determining the depth of the problem, Main Street type solutions that fit the specific needs, for example, of: (a) new immigrants; (b) those with language barriers; and (c) those who live in the barrios and ghettos of America. The Black Economic Council and the Latino Business Chamber of Greater LA will be joining us in attempted meetings with the carriers, the FCC Consumer & Governmental Affairs Bureau and with key congressional leaders to further discuss this in Washington DC during the week of November 15th to 17th.
2. We will attempt, along with the FCC Consumer & Governmental Affairs Bureau, key carriers and other minority groups, to negotiate a high standard that includes fiduciary responsibilities and will provide a clear competitive edge to those carriers that are willing to meet this high standard. This is consistent with the precepts preached by Adam Smith 234 years ago in his Wealth of Nations treatise on the value of capitalism over government. However, as Adam Smith stated in this treatise, the free market works best with careful scrutiny and within an appropriate regulatory framework that can effectively punish wrongdoers.
3. Since those hardest hit by Bill Shock (Latinos, Blacks, Asian Americans, Native Americans, low income, new immigrants, and those with language barriers) are least likely to file complaints even with the carriers or the FCC, we urge the FCC and the carriers to join with NAAC and other representatives of low income groups to conduct their own effective survey.
4. We will request that the FCC continue to move forward regarding its proposed rulemaking, but take into account the value of a voluntary industry-wide solution that reaches far higher standards that even the government could mandate. As previously set forth, a voluntary industry rights solution is not essential if the FCC provides the equivalent of a seal of approval to those carriers that meet these standards, thereby providing them with a competitive edge.

5. Harvard-educated wireless customers are in a position to educate themselves and/or hire professionals, including lawyers, to protect themselves against their lack of education. For new immigrants, those, with language barriers and the poor, the education must come from the industry and must be developed through working closely with nonprofit groups that have proven track records in producing “consumer literacy.” Government-led education efforts that have been doing so have historic failures as evidenced by the foreclosure crisis and the inability of Treasury and HUD to solve it.

It is our intention on a regular basis to supplement the record and continue to be involved in this proposed rulemaking since we believe that the cost of Bill Shock to minorities, new immigrants, those with language barriers and low to moderate income families, could be in the billions of dollars annually.³

At this time, we are unclear as to the need for a regulatory scheme relating to prepaid wireless service. However, during the course of our investigation, we will attempt to determine if such need exists.

Avoiding a European Union Solution

We have much admiration for the European Union’s efforts to solve a wide range of crises, but believe that the present structure of government and the relationship of government to the corporations it regulates makes such solutions difficult in this country. For example, government solutions in Sweden for corporate problems are often led by the corporations themselves with wide spread support from consumers. With few exceptions in the United States, consumers do not have the full support from government leaders or the corporations they regulate.

In the proposed rulemaking, there are many cited statistics demonstrating the need to action, such as the statement that (a) 30 million Americans experience a sudden increase in their monthly bill and (b) that 84 percent of these said their carriers did not contact them when they were about to exceed their allowed minutes, and (c) 88 percent said their carriers did not contact them after their bill suddenly increased.

If these figures are accurate, a huge competitive advantage will occur for the wireless carriers who take advantage of growing consumer concerns by competing for customers and market share by raising their standards.

³ There is no mechanism presently available to determine the actual cost. However, we are prepared to participate with the carriers and the FCC in a random survey that could extrapolate actual or annual costs.

As previously set forth, this will not occur through though the CTIA industry-wide representation. Instead, it will occur only when some carriers decide to freeze out what those in the mortgage industry would refer to as the “predatory subprime carriers.”⁴

Respectfully submitted,

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Deputy Director

⁴ In 2000, the Greenlining Institute, an organization which NAAC is a proud member, met with Federal Reserve Chairman Alan Greenspan and proposed that the most responsible elements of the financial industry dominate the market place by creating a voluntary high code of non-predatory lending that would be widely publicized by the Federal Reserve. It had in mind at that time, eliminating predatory competition from companies such as Countrywide, Ameriquest and New Century Financial, three financial institutions that no longer exist due to their predatory practices. (We will be advised in developing this industry-wide code by the consumer expert who raised the issues with Greenspan in 2000.)